# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2184
ANSWERED ON:30.11.2007
ISSUING DEMAND DRAFTS BY RURAL BANKS
Gangwar Shri Santosh Kumar

**Will the Minister of FINANCE be pleased to state:**

(a) whether demand drafts are being issued by the Regional Rural Banks payable at sponsored bank branches;

(b) if not, the reasons therefor; and

(c) the time by which the facility would be implemented?

## Answer

The Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a) Those RRBs which have entered into arrangements with sponsor banks, through their branches, are issuing Demand Drafts on specified branches of sponsor banks.

(b) Some RRBs have adopted alternative mode of transfer of funds of clients by way of issue of Multicity Cheque given by some commercial banks. Such facility has got better acceptability among customers. Some RRBs are procuring the demand drafts from sponsor bank branches as agent on behalf of the customers. Some of the RRBs are yet to adopt any of the above facilities because they have not entered into any arrangements with the sponsor banks.

(c) It is expected that with computerisation of branches of RRBs, the facility could be introduced by many RRBs expeditiously by entering into arrangements with the sponsor bank.